

ASSEMBLY BILL

No. 1203

Introduced by Assembly Member Haynes

February 21, 2003

An act to amend Section 739.6 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1203, as introduced, Haynes. Rates: allocation of costs.

Existing law requires the Public Utilities Commission to establish rates using cost allocation principles that fairly and reasonably assign to different customer classes the costs of providing service to those customer classes, consistent with the policies of affordability and conservation. Existing law allows the commission to modify a cost allocation methodology adopted for gas corporations to address customer hardships and inequities if residential customers as a class are not, on balance, adversely affected and the purpose of the modification is not solely protection of gas corporation revenues.

This bill would make technical, nonsubstantive changes in those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 739.6 of the Public Utilities Code is
2 amended to read:
3 739.6. (a) The commission shall establish rates using cost
4 allocation principles that fairly and reasonably assign to different

1 customer classes the costs of providing service to those customer
2 classes, consistent with the policies of affordability and
3 conservation.

4 ~~The~~

5 (b) *The* cost allocation methodology adopted for gas
6 corporations by the commission in Decisions 86-12-009 and
7 86-12-010, as supplemented by Decisions 87-05-046 and
8 87-12-039, is consistent with ~~this~~ *the policy described in*
9 *subdivision (a)*, and shall be retained by the commission at least
10 until December 31, 1990, except that the commission may modify
11 this cost allocation methodology to address customer hardships
12 and inequities if residential customers as a class are not, on
13 balance, adversely affected and the purpose of the modification is
14 not solely protection of gas corporation revenues. If any gas
15 corporation files a cost allocation application seeking to change
16 that methodology after May 1, 1990, the commission may not
17 issue an order on that application until January 1, 1991.

